



# Strategies for Efficiency in Real Estate Management (SEREM)

# The Big Picture

- State's revenue historically has not kept up with increasing costs

- Continue to achieve efficiencies in operations by cutting costs and reallocating resources

**WHY NOW?**

- Better managing our real estate by improving efficiency and re-purposing under-utilized space can result in substantial savings

- Real estate is one of the state's largest budget expenditures

# Strategies for Efficiency in Real Estate Management (SEREM)

SEREM is an initiative to improve the management of the state's real estate portfolio. Four key individual strategies have the greatest savings potential:

## Alternative Workplace Solutions

*Opportunity:*

Increase workforce productivity while reducing real estate needs and costs through flexible schedule and workspace options.

*Status:*

Initial Pilots/  
Business Justification (pilot by pilot)



## Facilities Management

*Opportunity:*

Increase service and lower costs to state facilities through performance management contracting.

*Status:*

Exploration/  
Business Justification



## Real Estate Process Improvement

*Opportunity:*

Lower contracting costs by streamlining real estate processes related to construction, leasing, acquisition and other property management activities.

*Status:*

Exploration/  
Research/Data Analysis



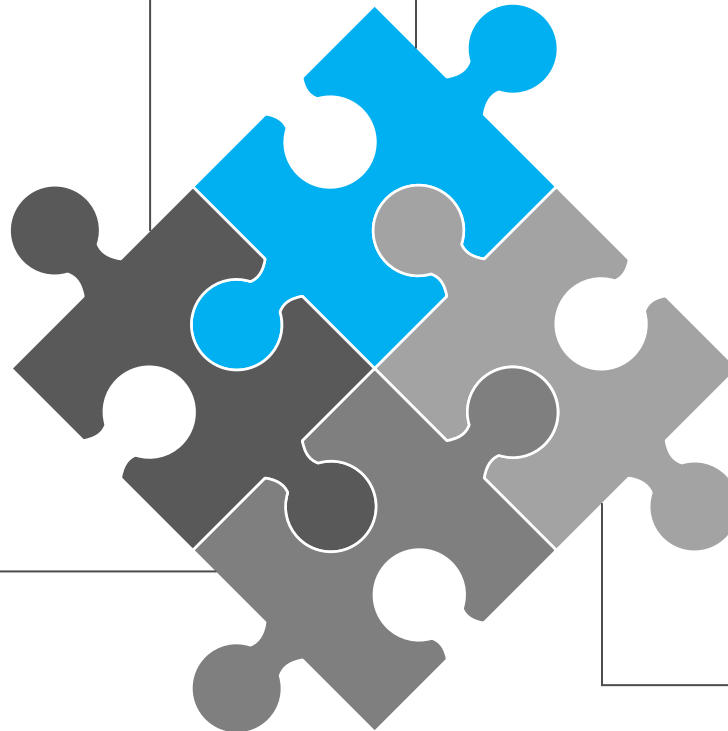
## EmPower TN (Energy Management)

*Opportunity:*

Reduce energy costs by improving energy efficiency in state facilities.

*Status:*

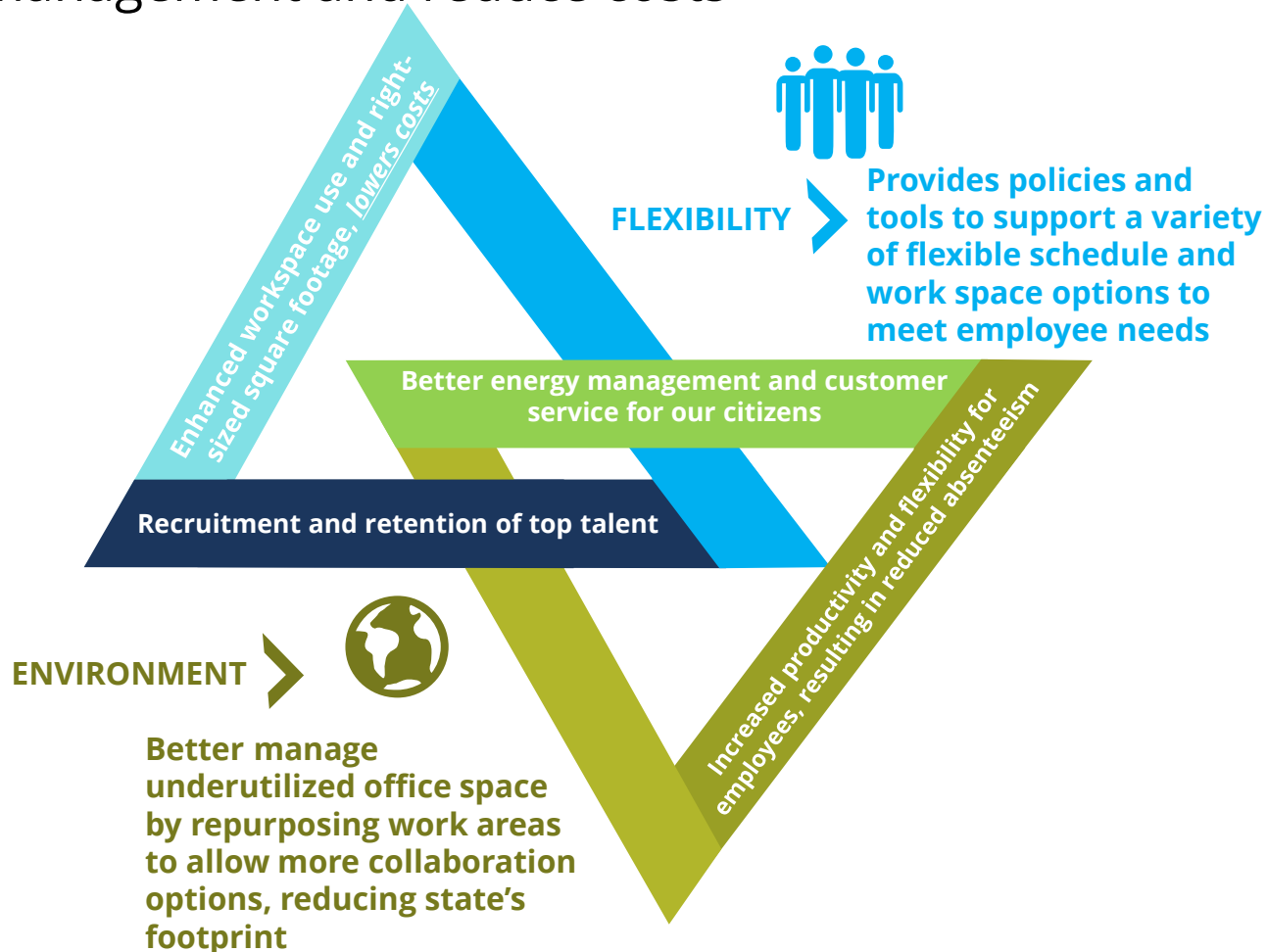
Implementation/  
Approx. \$40 million in appropriated funds for state projects



# Alternative Workplace Solutions (AWS)



Use of non-traditional workspaces to increase productivity, efficiency and flexibility across state government, improve real estate management and reduce costs



# Facilities Management (FM)



Use of service providers with extensive expertise to reduce costs through better management of state facilities while improving the work environment



## INCREASED SERVICE

Utilizes best practices to provide better service quality and training, enabling staff to perform additional services



## LOWER COSTS

Increased savings from preventive maintenance, and less subcontracting allowing us to do more than we can do today



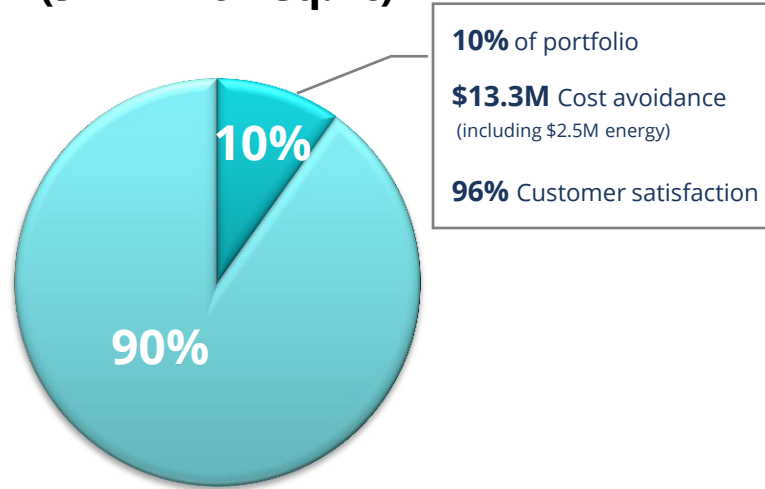
## IMPROVED OPERATIONS

- Improved quality and faster service
- Best practice Implementation
- Reduced operating costs
- Measureable key performance indicators
- Scalable solutions that can evolve with state's changing needs

# Exploration Phase Involves Gathering Information

Current FM Service – General Government Cumulative Savings & Cost Avoidance

## TN Real Estate Portfolio (94 million sq. ft)

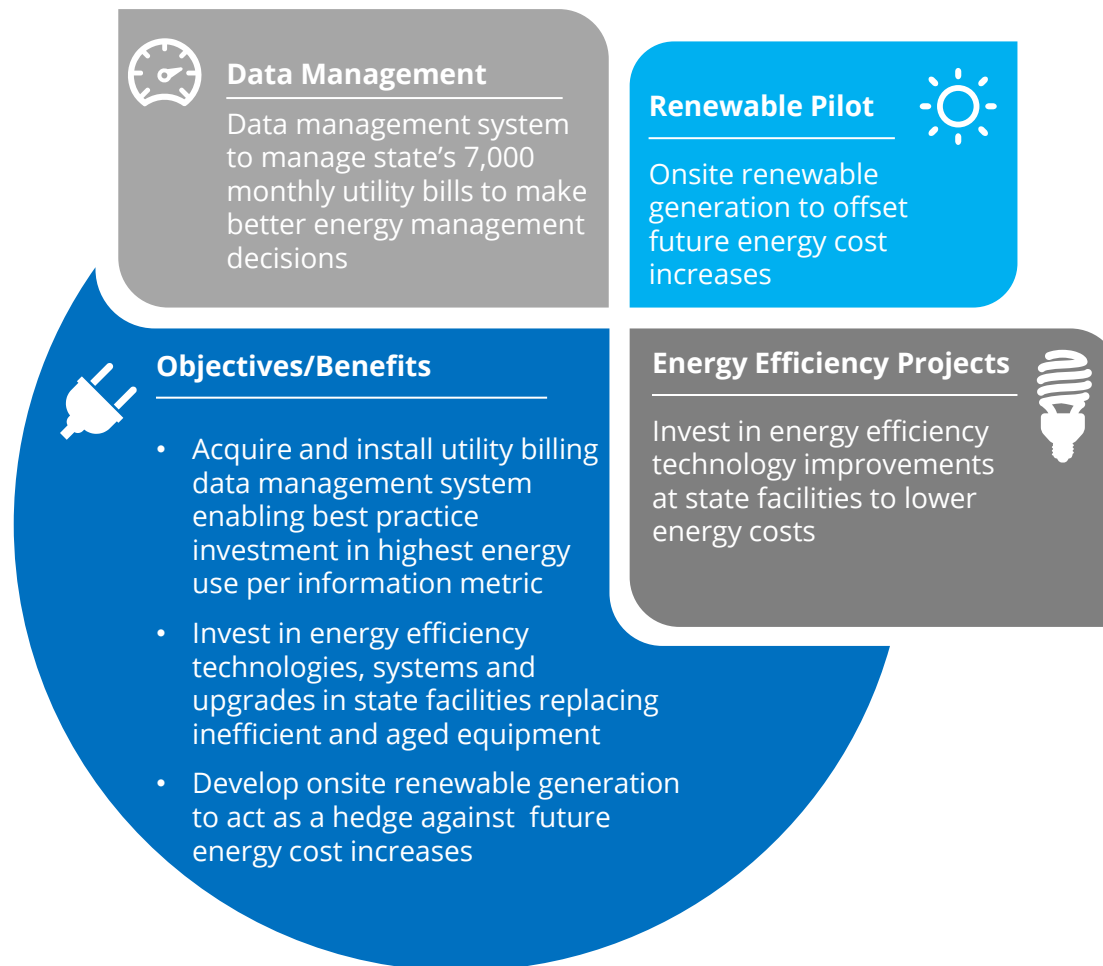


*Savings attained, especially through self-performing and sourcing, are made possible through use of training, tools and scale that are available to FM service providers.*

Participation in the exploration process does not commit the state or institution to a decision. It simply performs the due diligence needed to gather information to better understand best practices, and current costs compared with potential costs.



## Three projects to measure and control energy use, invest in energy efficiency and renewable power generation



# Real Estate Process Improvement



Lower contracting costs by streamlining real estate processes related to leasing, acquisition and other property management activities:

## LOWER COSTS

Reduce end-to-end process time lowering project costs that can be redirected to programs and services for Tennesseans



## PROCESS IMPROVEMENT

Align processes and contracts and define statutes, policies and procedures



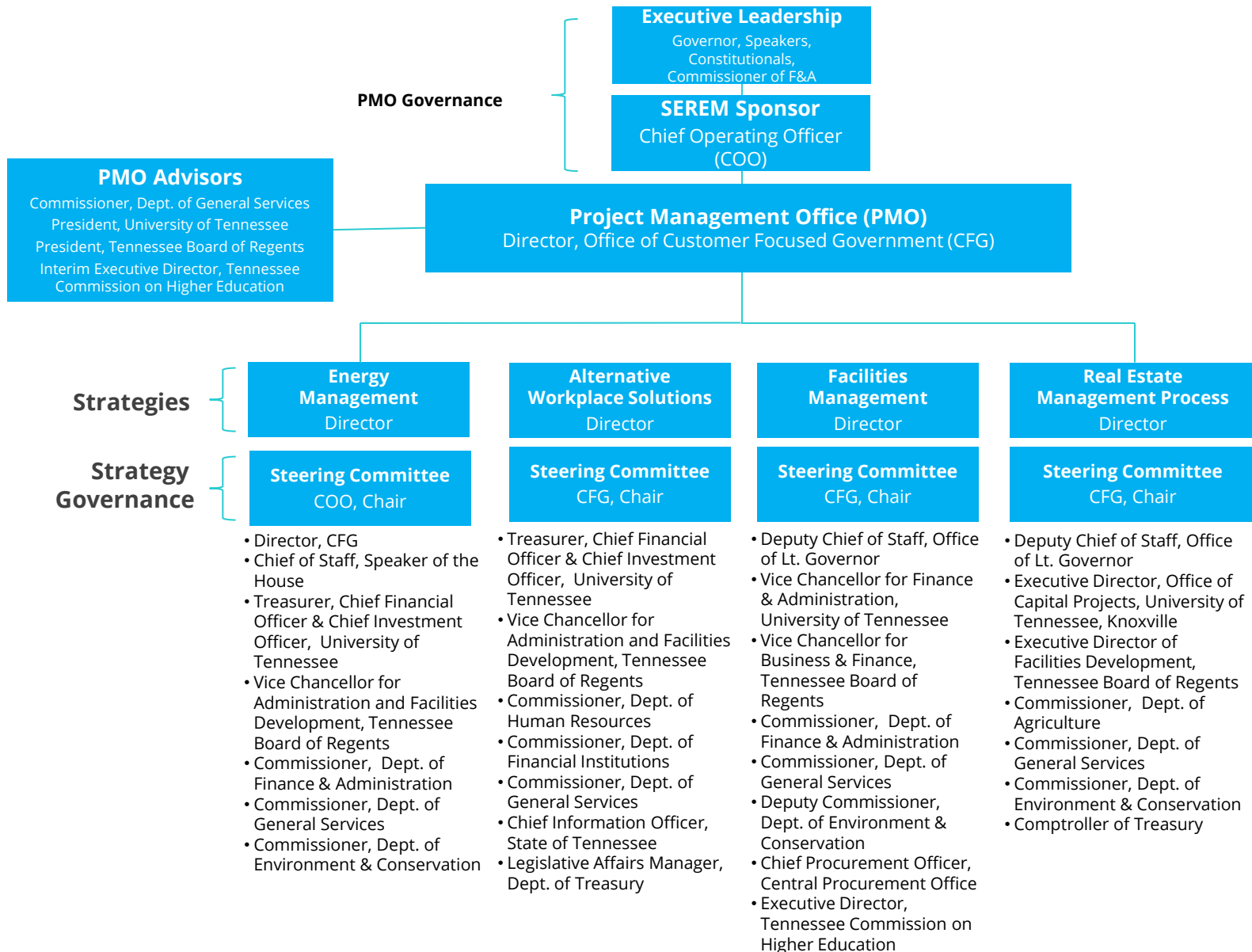
## BENEFITS/OBJECTIVES

- Reduce time for process completion
- Identify/implement industry best practices
- Provide clarity on roles, responsibilities and accountability
- Eliminate redundant and/or unnecessary process activities





# SEREM Governance



# In Summary: SEREM Value for Tennessee

## Improved recruitment and retention of top talent

Increase employee engagement, satisfaction and retention and recruitment. Creates cultures ready to adapt to the changing nature of work and the needs of business.



## Increased Service

Increases business agility and change management strategies.



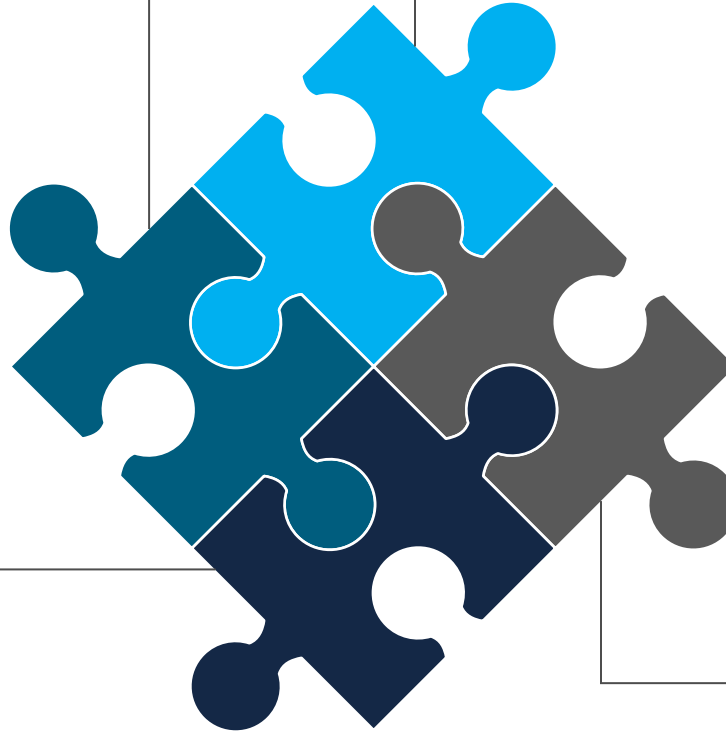
## Reduced Costs

Lowest the cost of the state's operations creating savings that can be redirected in services and programs.



## Process Efficiencies

Streamlined processes lower costs, and make it easier to do business in Tennessee which is good for our economy.



# **Thank You**

## **For more information, visit:**

<http://tn.gov/main/section/main-customer-focused-government>